
RICE: WORLD MARKETS AND TRADE

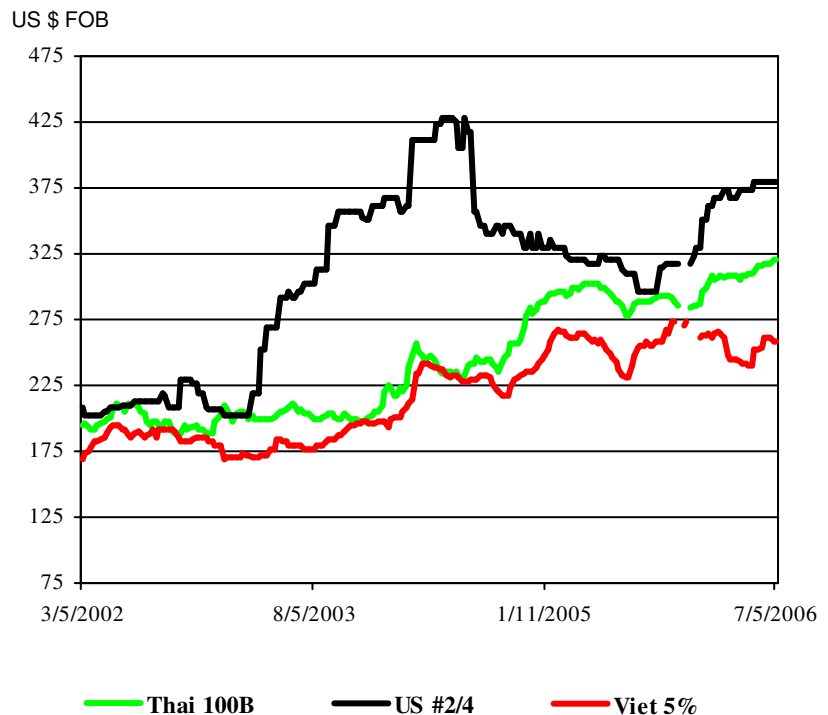
MONTHLY HIGHLIGHTS:

China Rice Revision: The stocks and consumption series for China have been revised for 1997/98-2006/07 based on reports of less rice being fed. Livestock feed rations are becoming more sophisticated with more corn and soybean inputs at the expense of rice. A discussion of the revisions and a comparison of old and new estimates are available at <http://www.usda.gov/oce/commodity/wasde/revisions/historical.htm>.

PRICES:

International: Asian prices are still showing a wide divergence between suppliers. Despite the prospects for a good crop, prices in Thailand remain high, sustained by the government's intervention program. Thai 100B is currently quoted at \$320 per ton, FOB, up \$2 from last month. Viet 5% is currently quoted at \$259 per ton, FOB, down \$2 from last month, yet prices remain strong due to large outstanding contracts currently loading, combined with strong demand. However, prospects for a larger crop could moderate future prices. Indian prices are up; 5% is currently quoted at \$257 per ton, FOB.

Nominal Rice Quotes – 2002 to Present



Domestic: U.S. prices have remained steady with U.S. #2/4 long grain milled rice quoted at \$379 per ton, FOB. The spread between comparable qualities of Thai and U.S. rice is \$59 per ton. Prices for U.S. #1/4 medium grain milled rice from California are currently quoted at \$475 per ton, FOB, unchanged from last month.

TRADE CHANGES FOR 2007

Selected Exporters

- **United States** is down 100,000 to 3.3 million tons due to expected tighter supply, higher prices, and increased world competition.

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- **Pakistan** is up 100,000 to 2.5 million tons with ample supplies.

Selected Importers

- **Bangladesh** is down 100,000 to 600,000 on the expectation of a sizeable production increase and decrease in the import demand.

TRADE CHANGES FOR 2006

Selected Exporters

- **Pakistan** is up 200,000 to a record 3.0 million tons on good production and a strong export pace.
- **United States** is up 400,000 to 3.7 million tons based on strong sales.

Selected Importers

- **Bangladesh** is down 100,000 to 600,000 tons because of larger than expected production and a slow import pace.
- **China** is up 100,000 to 700,000 tons due to strong imports, particularly Thai white and fragrant rice.
- **Iran** is up 100,000 to 1.2 million tons, given the strong sales and import pace.
- **Philippines** is up 100,000 to 1.9 million tons, the second highest level ever, based on recent purchases and imports that were larger than anticipated.